

To The Honorable Judge Robert D. Drain:

Please keep in mind that you are the voice of tens of thousands of retirees, and how you decide this case will impact the future of these people, but also set the trend for treatment of future retirees, not only by Delphi but also by many major corporations. Your shoulders are heavy with this burden; making the right decision can lighten them.

EXECUTIVE SUMMARY OF *OBJECTION* TO DOCUMENT #14705 TO CANCEL OPEB FOR DELPHI RETIREES

PROFILE OF A TYPICAL DELPHI *SALARIED* EMPLOYEE

- College Educated (many times obtained while working fulltime for Delphi)
- Dedicated – worked longer hours without compensation, no overtime
- Creative – design, engineering, and production ingenuity contributed to Delphi's major growth over the past 30 years
- Team Player – felt they were part of the GM team, transitioning to the Delphi team
- Personal Sacrifice – willingness to put company first, was the first to have benefits eliminated during cost reduction periods.
- Non-Unionized Workforce

REASONS DELPHI SHOULD HONOR RETIREMENT EXPECTATIONS

- Retirement benefits are part of years of implied contracts. It was certainly implied that we would have coverage until age 65, when two years ago the company released a communication stating that they would provide retiree healthcare until the age of Medicare eligibility.
- Salaried workers received lower wages (than hourly) in exchange for healthcare in retirement
- Salaried workers had no choice in accepting cost-cutting initiatives, which included loss of paid days off, no overtime pay, higher co-pays, less merit funding as well as other initiatives.
- Some salaried workers had no choice to retire; their jobs were shipped overseas. Many were not in a position, financially, to retire but were forced to do so.
- Company provided healthcare benefits are scheduled to stop at age 65 for all retirees; this is a decreasing cost to the company as each retiree reaches this age.
- This is age discrimination, which targets only those within a certain age group.

CONSEQUENCES OF PERMITTING DELPHI'S RELEASE OF HEALTHCARE OBLIGATIONS

- Devastating economic hardship on retirees. Cost of monthly plans will require 35%-65% of net monthly pension.

- Certain inevitable deaths to retirees who must choose between food and medications, and heat or medications. In addition, with the current state of the economy already tugging at their pension, this may put some over the edge, resulting in depression and suicide. We see this on the news too often these days.
- Because of these economic times, many retirees are continuing to financially support or subsidize their children and grandchildren. Loss of healthcare will have a domino affect on other generations as well, especially in the area of higher education, housing, and daycare. Many retirees who provide childcare will now need to get back into the workforce, if they can even find a job.
- Added burden to government programs, which are already stretched to the limits.
- Sending the wrong message to today's workforce; unions may become a necessity for you. After all, Delphi is targeting only the salaried workforce (non-union) because they can, it is the easiest; they have no voice.
- Allowing Delphi to cancel healthcare is rewarding ineffective management by company leaders. Employee contribution to healthcare costs (for hourly and salaried workers) should have been introduced into the system years ago, but company leaders were not up to the challenge of union leaders.

SUGGESTIONS TO RESOLVE DELPHI'S HEALTHCARE PROBLEMS

- Delphi should work with insurers to revamp healthcare packages to make them more affordable.
- Increase active employee and retiree contributions to healthcare. Ask for a nominal increase in monthly contributions. As a group, the cost of healthcare should be less than each retiree taking out a healthcare package on their own.
- Share the pain. Salaried workers have been paying a monthly fee to provide healthcare coverage for years. The hourly workforce has not. The time has come for all who have shared in the gain during the good times, to share in the pain during the bad. Mandate an hourly workforce contribution to the cost of healthcare in order to decrease the cost to each retiree and to the company, which would allow coverage for all workers.
- Explore additional ways for cost cutting, such as eliminating high wages and bonuses for CEO's and upper management until out of bankruptcy and the company turns a profit. After all, compensation should be commensurate with performance. It has always been that way for lower and middle management when determining merit increases.

Respectfully,

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